

SMARTBIZ BW

Starting a Small Business in Botswana

A practical step-by-step guide for turning an idea into a more organised business

FREE STARTER GUIDE

For aspiring entrepreneurs, informal traders, side-hustle owners and small businesses across Botswana.

Inside: validate your idea, understand customers, estimate startup costs, prepare for registration and permits, set prices, find first customers, and keep basic records.

Educational information only. Requirements vary by business activity and can change. Confirm current registration, licensing, tax and other obligations with the relevant Botswana authorities before acting.

How to use this guide

You do not need to complete everything in one day. Work through the steps in order, write down your answers, and test your assumptions before spending heavily. A small, well-tested start is often safer than borrowing a large amount before you know whether customers will buy.

Your seven-step roadmap

Step	Action	What you should have
1	Define the problem and your idea	A clear product or service
2	Research customers and competitors	Evidence of demand
3	Calculate startup costs and cash needs	A simple budget
4	Check registration, permits and tax duties	A compliance checklist
5	Set a price and plan delivery	A workable price and process
6	Find and serve first customers	A basic sales plan
7	Record results and improve	Weekly records and next actions

1. Start with a real customer problem

A business is more than a name or logo. It offers something a specific customer values enough to pay for. Describe the problem you solve in one sentence: "I help [type of customer] get [result] by providing [product or service]."

Examples: a home-based baker supplying birthday cakes; a repair service for nearby households; a school-uniform seller; a designer creating menus and posters for local shops. These are examples only—choose an idea that matches your skills, resources and local demand.

Before buying equipment or stock, speak with potential customers. Ask what they currently use, what frustrates them, how often they buy, and what would make them choose you. Do not rely only on friends saying the idea is good; look for real interest, trial orders or deposits where appropriate.

Idea test worksheet

Question	Your notes
Who is the target customer?	
What problem do they have?	
What will I sell or provide?	
Why might they choose my offer?	
How can I test demand cheaply this week?	

2. Research the market

Market research can be simple and inexpensive. Talk to potential customers, observe busy locations or relevant online groups, compare competitors' offers, and note which products sell repeatedly. Check whether demand changes by season, school terms, holidays, paydays or local events.

Research checklist

- Speak with at least five potential customers.
- Identify three competitors or alternatives, including informal providers.
- Compare their prices, quality, delivery time and customer service.
- Ask what customers would improve about current options.
- Run a small trial before committing to large stock or equipment.

3. Estimate startup costs and working cash

List one-off setup costs separately from recurring costs. Include transport, data, packaging, rent, utilities, stock, tools, permits or professional services if applicable, and money needed to operate while waiting for customers to pay.

Cost item	Estimated amount (P)	Actual amount (P)
Tools / equipment	_____	_____
Opening stock / materials	_____	_____
Registration / permits (if applicable)	_____	_____
Transport / delivery	_____	_____
Phone / data / marketing	_____	_____
Rent / utilities (if applicable)	_____	_____
Working cash reserve	_____	_____
TOTAL	_____	_____

Example only: If you need P2,000 for equipment, P1,500 for initial materials and P500 for transport and launch costs, your initial estimate is P4,000. Add realistic working cash for recurring expenses. These figures are illustrative, not a price estimate for any specific business.

Avoid using all available money on stock or equipment. Keep household money and business money separate as far as possible, and decide in advance how much you can safely invest without risking essential living expenses.

4. Check registration, licensing and tax obligations

The correct requirements depend on your legal structure, activity, location and circumstances. Before trading, check current guidance from the Companies and Intellectual Property Authority (CIPA), the relevant local authority or licensing body, and the Botswana Unified Revenue Service (BURS). Some activities may need additional approvals, qualifications, inspections or sector-specific licences.

Do not assume that registering a business name automatically gives permission to conduct every type of activity. Likewise, do not assume that every small business has the same tax or licensing obligations. Confirm what applies to your particular business.

Prepare a folder for relevant documents, identification, business contact details, records of applications and renewals, receipts, invoices and tax correspondence. Keep copies securely and note renewal dates.

5. Set a price that can support the business

Start by calculating the cost of supplying one unit or completing one job. Include materials, packaging, direct labour where relevant, delivery, payment charges and a fair share of overheads. Then compare the result with competitor prices and what customers value.

Simple illustration: If materials cost P40, packaging costs P5 and delivery you pay for costs P10, the direct cost is P55. A selling price of P70 leaves P15 before overheads, tax and other costs. That P15 is not necessarily final profit.

For service businesses, estimate the time needed for the work and the cost of tools, travel, data and revisions. If a job takes much longer than expected, record that and adjust your future price or process.

6. Find your first customers

Choose a small number of channels you can manage consistently. Options include referrals, WhatsApp Business, community networks, market stalls, social media pages, partnerships with related businesses and direct visits where appropriate. Ask permission before adding people to marketing lists, and respect requests to stop receiving messages.

A simple first-week sales plan

Day 1: Write a clear offer, price and contact method.

Day 2: Prepare two or three good photos or examples of your work.

Day 3: Contact a small, relevant group of potential customers respectfully.

Day 4: Ask questions and record objections.

Day 5: Follow up with people who asked for details.

Day 6: Deliver any confirmed orders reliably.

Day 7: Review enquiries, sales, costs and customer feedback.

Your message should explain who you help, what you offer, the benefit, the price or how to request a quote, and how to contact you. Avoid claims you cannot prove, fake testimonials or misleading discounts.

7. Keep records from the beginning

Record every sale, expense, amount owed to you, amount you owe others, stock purchase and owner withdrawal. Keep receipts and invoices. Review the records weekly so you know whether the business is making money and whether cash will be available for upcoming costs.

Date	Details	Money in (P)	Money out (P)	Receipt / reference
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

8. Protect the business and grow carefully

- Agree on scope, price and delivery date before starting customer work.
- Use written records for orders, deposits, refunds and credit arrangements.
- Be cautious about borrowing for an untested idea.
- Protect customer information and business account passwords.
- Check suppliers carefully and be wary of pressure to pay immediately.
- Keep a reserve for slow periods, repairs or unexpected costs.
- Reinvest only after checking cash needs and essential obligations.

Be alert to scams

Be cautious of guaranteed profits, “risk-free” investments, requests to pay fees to unlock a prize or loan, pressure to recruit others, and suppliers who refuse verifiable details. Independently check the organisation through official channels. Never share one-time passwords or banking PINs.

Your 30-day action plan

Period	Action	Completed
Days 1–3	Describe your customer, problem and offer.	■
Days 4–7	Speak to potential customers and review competitors.	■
Days 8–10	Estimate startup costs and working cash.	■
Days 11–15	Check registration, licences and tax requirements.	■
Days 16–20	Test your price and prepare a simple sales message.	■
Days 21–25	Run a small, low-cost sales test.	■
Days 26–30	Review sales, expenses, feedback and next steps.	■

My next three actions

1. _____
2. _____
3. _____

Useful official starting points

- Companies and Intellectual Property Authority (CIPA): check current business and company registration information.
- Botswana Unified Revenue Service (BURS): check current tax registration and filing obligations.
- Your local council or relevant licensing authority: check trading licences, premises and activity-specific requirements.
- For regulated activities, consult the relevant regulator before offering the service.

Search for the official website of each authority and confirm that the information is current for your business activity. This guide does not replace legal, accounting, tax or licensing advice.

SmartBiz BW — Work Smarter. Grow Bigger.

Learn practical skills, use simple business tools, and make informed decisions as you build your business.

Version 1.0 | Prepared as a free educational resource for small-business owners and aspiring entrepreneurs in Botswana.